

5/023/086



## McFARLAND & HULLINGER

MINING • ORE HAULING • CONTRACTING

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September 25, 2004

Tom Munson, Reclamation Hydrologist  
Doug Jensen, Reclamation Engineer  
Utah Division of Oil, Gas, & Mining  
1594 W N Temple, Suite 1210  
Salt Lake City, UT 84114-5801

Re: Coyote Knolls Small Mining Permit  
UDOGM File S/023/033

Dear Tom and Doug:

I appreciated you both taking the time to visit the Coyote Knolls project on September 15, 2004. It was a productive day and your suggestions were helpful.

The two items you indicated needed action are addressed as follows:

### **Status of the Access Road to the Mine Claims**

I have enclosed three documents relating to the ownership of the access road. As indicated in earlier correspondence, Juab County maintains that this access road is a legitimate county road identified as Juab County road #6129910. I have enclosed two copies of letters from Juab County attorney's office addressing this issue. As you will note, the county is firm in its position that the access road is a county road. The third document is an agreement between Juab County and Newco Guyana Inc. (Lawrence Fahh). I could not locate a signed copy of the agreement, but I am assured that this was the authority given to proceed on upgrading the road in question.

### **Marking the Corners of the Five Acre Mining Area**

As you instructed, McFarland and Hullinger will place clearly identifiable steel T-posts at the corners of the five acres mining site.

If you have any questions, please call.

Yours Very Truly,

Sidney K. Hullinger  
Senior Vice President

RECEIVED  
SEP 27 2004  
DIV. OF OIL, GAS & MINING

## ROAD AGREEMENT

This agreement is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2001, by and between Juab County, hereinafter referred to as "County", and Newco Guyana Inc., hereinafter referred to as "Newco." This agreement memorializes, reduces to writing, and ratifies for historical purposes a prior verbal agreement entered into by the County and Newco through their respective representatives.

WHEREAS, the County owns certain rights, under Revised Statute 2477, in a road leading from the Weiss highway to a mine site currently in possession of Newco and located in Sections 5 and 8, Township 12S, Range 6W; and

WHEREAS, Newco desires to use the road to access a mine and over which to haul materials, supplies, equipment, etc.; and

WHEREAS, the road, within the boundaries of the County's right of way, needs maintenance and reasonable and necessary improvements; and

WHEREAS, Newco is willing to make the improvements and perform the maintenance at its own cost; and

WHEREAS, the County is willing to provide Newco with the materials to make the improvements and maintenance;

NOW, THEREFORE, in consideration of the mutual promises of the parties, it is hereby agreed as follows:

1. Newco may access the County's free-use pit (FUP) gravel site and obtain therefrom

whatever gravel Newco needs to perform the necessary maintenance and improvements on the road.

2. Newco will keep the County Commission and the County Road Supervisor informed of its progress in maintaining and improving the road.

3. Newco agrees to resurface the road according to County specifications and guidance, both verbal and written, received from the County Road Supervisor.

4. Both parties agree and understand that Newco does not have, and will never have, a claim whatsoever of any kind to ownership or control over the road. The road is and will continue to be a County road after the proposed work is accomplished.

5. Newco has no claim for repayment of any kind from the County for its labor, equipment, or personnel for the work it proposes to perform under this agreement.

6. Both parties agree that they will cooperate one with another with respect to the performance of the agreement and will consult with each other concerning any problems that may arise concerning the agreement's performance.

WITNESS the hands of the parties the date first above written.

JUAB COUNTY

NEWCO GUYANA INC.

By \_\_\_\_\_  
Juab County Commissioner

By \_\_\_\_\_  
Newco Representative

Attest: \_\_\_\_\_  
Clerk